



Rule Up For Final Action

Proposed Amendments to

WAC 230-40-070

Licensee to furnish all cards, chips and other services.

ITEM 9 (a) on the August 13, 2004, Commission Meeting Agenda.

Statutory Authority 9.46.070

Who proposed the rule change?

Staff, at the request of licensees.

Why is this rule change needed?

This rule requires card room operators, which hold the following licenses, to use logo cards for all their card games:

- 1) House-banked (85 currently operating);
- 2) Class F Poker (6 current licensees): License allows poker games with player-supported jackpots (PSJ); and
- 3) Class E Poker with more than 5 tables (none licensed at this time): License does not allow poker games with PSJs.

Note: There are 21 Class E Poker operators, licensed for 5 tables or fewer. These licensees are not required to use logo cards in their poker games.

Logo cards provide a security feature to discourage/prevent other cards from being introduced into a game from an outside source, which may compromise the integrity of a game. Earlier this year, several licensees notified staff that logo cards for poker games are no longer being manufactured. They noted their supply of logo cards is running low and asked to use non-logo cards in poker games. Staff had information that a company may start manufacturing logo cards at the end of the year. Staff did not have regulatory concerns with Class E and Class F licensees using non-logo cards for poker games that didn't have PSJ. Therefore, an amendment requiring logo cards to only be used in house-banked card games and poker games offering a PSJ was brought forward and filed at the May Commission meeting.

Change made after the July meeting:

August Agenda Version: At the July meeting, George Teeny, a licensed card room operator, requested that logo cards only be required for house-banked card games, and not for poker games because there is no company currently manufacturing logo cards for poker games. Staff has also learned there are no upcoming plans for a company to begin manufacturing logo poker cards.

Staff does not have regulatory concerns if poker games with player-supported jackpots do not use non-logo cards, if dealers verify the value and suit of each card in the deck, when \$500 or more is won. Currently, dealers only fan the winning hand. Staff will put forward an amendment to WAC 230-40-610 to include this procedure and recommend the effective date coincide with non-logo card poker games. The amendment to WAC 230-40-610 will be Up for Filing at the September Commission meeting.

Attachments:

Staff's recommended amendment to WAC 230-40-610 (blue paper).

Letter from the Recreational Gaming Association (RGA) dated July 15, 2004.

Statements against the proposed rule change.

At the July meeting, George Teeny, a licensed card room operator, requested that logo cards only be required for house-banked card games, and not for any poker games.

Letter from the RGA supporting Mr. Teeny's request and suggesting an amendment to WAC 230-40-610.

Which licensees will be directly impacted?

Card rooms.

What are the potential impacts to the agency?

Minimal.

Staff recommendation.

Adoption.

Proposed effective date.

January 1, 2005.